

RESOLUTION NUMBER R- 298206

ADOPTED ON JUL 15 2003

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO  
MAKING CERTAIN FINDINGS WITH RESPECT TO FUNDING PUBLICLY  
OWNED INFRASTRUCTURE IMPROVEMENTS IN THE NAVAL  
TRAINING CENTER REDEVELOPMENT PROJECT AREA.

WHEREAS, the Redevelopment Agency of the City of San Diego [Agency] is engaged in activities necessary to carry out and implement the Redevelopment Plan for the Naval Training Center [NTC] Redevelopment Project Area [the Project Area]; and

WHEREAS, the Agency and McMillin-NTC, LLC [Master Developer], entered into a Disposition and Development Agreement [DDA] in June 2000 for the purposes of effectuating the Redevelopment Plan for the Naval Training Center Redevelopment Project, adopted by the City Council in May 1997, and the Naval Training Center Reuse Plan, adopted by the City Council in October 1998; and

WHEREAS, on May 7, 2002, the Agency by Resolution No. R-03466 approved a First Implementation Agreement to the DDA; and

WHEREAS, on June 4, 2002, the Agency by Resolution No. R-03480 approved a Second Implementation Agreement to the DDA; and

WHEREAS, in order to further implement the development under the DDA, the Agency and the Master Developer propose (pursuant to the terms and conditions of a proposed Third Implementation Agreement) to further amend the DDA to reimburse the Master Developer for costs of infrastructure improvements that are beyond the scope of the DDA and the NTC Reuse

Plan, among other things; NOW, THEREFORE,


BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. That the Council finds and determines that the publicly owned infrastructure improvements for which the Agency proposes to pay are of benefit to the Naval Training Center Redevelopment Project, that the Council finds and determines that no other reasonable means for financing the proposed publicly owned infrastructure improvements are available to the community, and that the Council finds and determines that the proposed publicly owned infrastructure improvements will assist in eliminating one or more blighting conditions inside the Project area, all as described in Attachment No.1.

2. That the Council finds and determines that the proposed publicly owned infrastructure improvements are consistent with the Implementation Plan adopted for the Project by the Agency pursuant to California Health and Safety Code section 33490, as described in Attachment No.1.

3. That the Council authorizes the City Clerk to deliver a copy of this resolution to the Executive Director and members of the Agency.

APPROVED: CASEY GWINN, City Attorney

By   
Elisa A. Cusato  
Deputy City Attorney

EAC:smf

04/22/03

Or.Dept:Redev.

R-2003-1264

Redev: RA-2003-147, RA-2003-148, RA-2003-149, RA-2003-150

Council: R-2003-1265, R-2003-1266, R-2003-1267

ATTACHMENT NO. 1  
FINDINGS

SUBJECT IMPROVEMENTS:

STORM DRAIN IMPROVEMENTS, POTABLE WATER LINES AND STREETLIGHTS –  
NAVAL TRAINING CENTER REDEVELOPMENT PROJECT AREA

FINDINGS OF BENEFIT

The subject improvements for which the Redevelopment Agency of the City of San Diego (Agency) proposes to pay will benefit the Naval Training Center (NTC) Redevelopment Project Area or the immediate neighborhood in which the Project Area is located in that:

These improvements are within the NTC Redevelopment Project.

The improvements will enhance portions of the NTC Redevelopment Project area for the benefit of nearby users as well as residents.

The installation of storm drains, potable water lines and streetlights will correct adverse health and safety conditions.

The public improvements will act as a catalyst providing an incentive for private investment in the rehabilitation and new construction of the area.


NO OTHER REASONABLE MEANS OF FINANCING

There are no other reasonable means available to the community for financing the subject improvements for which the Agency proposes to pay in that:

City of San Diego

The Fiscal Year 2003 Budget for the City of San Diego (City) decreased 12.2%. The overall decrease resulted from the Ballpark Project Financing budgeted in the Capital Improvement Program (CIP) for Fiscal Year 2002. The other decreases included Special Revenue, Debt Service and Tax Funds while the General and Enterprise Funds increased. Over the last several years, as the City's CIP has grown and revenues have leveled off, the City has developed phase funding to use available cash and minimize the issuance of bond proceeds. This is a means whereby large projects may be budgeted and contracted for in an efficient manner that maximizes the City's use of available funds.

The City's capital improvement budget is funded primarily with water and sewer fees, developer impact fees, grant funds, enterprise fund revenues, Facility Benefit Assessment funds, Gas Tax and Transnet funds. The Fiscal Year 2003 CIP Budget decreased 45.3% from the Fiscal Year 2002 Budget. The Fiscal Year 2003 CIP Budget provides for the sewer upgrade of the City's

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Metropolitan and Municipal Wastewater System, water projects, Parks and Recreation projects, library projects, transportation projects and special projects.

Most major tax revenue categories continue to show signs of growth. Moderate growth is anticipated for most Fiscal Year 2003 major revenues. The economic growth rates for major revenue categories are property tax (9.0%), sales tax (4%), Transient Occupancy Tax (6%) and Motor Vehicle License fees (4%).

The City's Fiscal Year 2003 CIP Budget is embodied in Volumes IV and V of the City's Budget. The Agency's Fiscal Year 2003 Program Budget was adopted on July 30, 2002. The CIP and the Agency's Budget were developed in accordance with City and Council Policy, and each project activity was evaluated and incorporated in the respective budgets. Projects are funded based on need and the availability of appropriate funding sources. The City's CIP Budget totals \$373.4 million, a decrease of \$309.3 million over Fiscal Year 2002.

Preliminary revenue forecasts for Fiscal Year 2004 suggest that the rate of growth of the City's primary sources of revenue is expected to be less than the Fiscal Year 2003. General Fund revenues are not expected to keep pace with General Fund expenditures. The threat of reductions from the State could further compound the need for deep decreases in the General Fund.

#### ELIMINATION OF BLIGHTING CONDITIONS

The payment of funds toward the cost of the construction and installation of the subject improvements will assist in the elimination of one or more blighting conditions inside the NTC Redevelopment Project Area, in that:


The improvements will replace infrastructure that does not meet existing adopted community infrastructure standards.

The improvements will eliminate factors that prevent or hinder the economically viable reuse of buildings or areas.

The decorative streetlights will improve, promote and preserve the positive neighborhood characteristics in the surrounding communities.

The improvements will enhance the environmental habitat of the project area.

The proposed improvements are consistent with the Implementation Plan adopted for the Project Area pursuant to Health and Safety Code Section 33490.

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